

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,
Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS
(Jointly Administered)

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,

Plaintiff,

v.

AMBAC ASSURANCE CORPORATION, *et al.*,

Defendants.

Adv. Proc. No. 20-00003-
LTS

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801).

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,
as representative of
THE COMMONWEALTH OF PUERTO RICO,
Plaintiff,
v.
AMBAC ASSURANCE CORPORATION, *et al.*,
Defendants.

Adv. Proc. No. 20-00004-
LTS

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,
as representative of
THE COMMONWEALTH OF PUERTO RICO,
Plaintiff,
v.
AMBAC ASSURANCE CORPORATION, *et al.*,
Defendants.

Adv. Proc. No. 20-00005-
LTS

**CORRECTED URGENT JOINT MOTION TO CONTINUE DEADLINES IN
CERTAIN PROCEEDINGS**

To the Honorable United States Magistrate Judge Judith Gail Dein and the Honorable United States District Court Judge Laura Taylor Swain:

Ambac Assurance Corporation (“Ambac”), Financial Guaranty Insurance Company (“FGIC”), The Bank of New York Mellon (“BNYM”), U.S. Bank Trust National Association (“U.S. Bank”, and collectively with Ambac, FGIC, and BNYM, “Settling Creditors”), Milliman, Inc. (“Milliman”), and the Financial Oversight and Management Board for Puerto Rico (the “Board”), as Title III representative of the Commonwealth of Puerto Rico (the “Commonwealth”) pursuant to section 315(b) of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”) (collectively, the “Parties”), respectfully submit this corrected urgent joint motion to continue certain deadlines pending in the above-captioned proceedings (the “Matters”).

BACKGROUND

1. As the Parties, other than Milliman, informed the Court during the disclosure statement hearing, on July 14, 2021, the Parties reached an agreement in principle regarding a settlement. The Parties, other than Milliman, are engaged in the process of formalizing that agreement. As a result of the tentative settlement, the Parties have agreed that all pending deadlines in the Matters within the next two weeks, as detailed below, should be adjourned and reset on the schedule described below, given that a settlement could obviate the need to proceed with those Matters.

2. Revenue Bond Adversary Proceedings. On January 16, 2020, the Oversight Board initiated the above-captioned adversary proceedings seeking to disallow claims by holders of HTA Bonds, CCDA Bonds, and PRIFA Bonds (collectively, the “Revenue Bond Adversary Proceedings”). The Revenue Bond Adversary Proceedings are currently stayed in part pursuant to the Court’s March 10, 2020 *Final Case Management Order For Revenue Bonds* [ECF No.

12186]². Currently pending before the Court are the Board's partial summary judgment motions (the "Summary Judgment Motions") in each of the Revenue Bond Adversary Proceedings.³ Under the existing schedule, the Settling Creditors' deadline to file supplemental briefing regarding the Summary Judgment Motions is this Friday, July 16, 2021, and the Commonwealth's date to file responses thereto is August 13, 2021. *See Order* [ECF No. 17137].

3. Milliman Rule 2004 Discovery. On January 13, 2021, the Court issued its *Order* [ECF No. 15589] granting *Ambac Assurance Corporation's Urgent Motion for an Order Authorizing Third-Party Discovery under Bankruptcy Rule 2004 Concerning Pension Liabilities* [ECF. No. 15342]. Discovery pursuant to that order (the "Milliman Rule 2004 Discovery") has been ongoing. Pursuant to the Court's recent order, a joint status report regarding the status of Milliman Rule 2004 Discovery is due July 15, 2021. *See Order* [ECF No. 17206].

JURISDICTION AND VENUE

4. This Court has subject matter jurisdiction over this matter under PROMESA section 306(a), 48 U.S.C. § 2166(a), and venue is proper under PROMESA section 307(a), 48 U.S.C. § 2167(a).

² Unless otherwise indicated, all ECF numbers referenced herein refer to the docket in Case No. 17 BK 3283-LTS.

³ *See Notice of Motion and Motion of the Commonwealth of Puerto Rico, by and Through the Financial Oversight and Management Board, Pursuant to Bankruptcy Rule 7056 for Partial Summary Judgment Disallowing Claims* [ECF No. 43 in Adv. Proc. No. 20-00003-LTS] relating to the PRIFA Bonds; *Notice of Motion and Motion of the Commonwealth of Puerto Rico, by and Through the Financial Oversight and Management Board, Pursuant to Bankruptcy Rule 7056 for Partial Summary Judgment Disallowing Claims* [ECF No. 40 in Adv. Proc. No. 20-00004-LTS] relating to the CCDA Bonds; *Notice of Motion and Motion of the Commonwealth of Puerto Rico, by and Through the Financial Oversight and Management Board, Pursuant to Bankruptcy Rule 7056 for Partial Summary Judgment Disallowing Claims* [ECF No. 50 in Adv. Proc. No. 20-00005-LTS] relating to the HTA Bonds.

RELIEF REQUESTED

5. The Parties request that the Court continue the foregoing existing deadlines in the Matters in the following manner:

- a. the Settling Creditors' deadline to file supplemental briefing regarding the Summary Judgment Motions shall be July 28, 2021, at 5 p.m. AST;
- b. the Commonwealth's date to file responsive briefing shall be August 25, 2021, at 5 p.m. AST;
- c. the hearing on the Summary Judgment Motions shall remain on September 15, 2021;
- d. The parties shall file a joint status report regarding the status of Milliman Rule 2004 Discovery on July 28, 2021.

6. The Parties propose this revised schedule in light of the Court scheduling a further hearing on issues pertaining to the approval of a disclosure statement on July 27, 2021. If the Parties need to further extend the schedules in the Matters based on the status of the tentative settlement, the Parties will promptly advise the Court. As a matter of judicial economy and Party resources, the Parties should not be required to move forward and actively litigate matters that could be resolved through the negotiated settlement. No prejudice to non-movants exists, as the requested stays apply only to matters among the Parties.

7. Pursuant to Paragraph I.H of the *Fifteenth Amended Notice, Case Management and Administrative Procedures* [ECF No. 17127-1], Movants hereby certify that they have carefully examined the matter and concluded that there is a true need for the Urgent Motion; have not created the urgency through any lack of due diligence; and have made reasonable, good-faith efforts to

resolve or narrow the issues that are being brought to the Court, including by meeting and conferring with opposing counsel.

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Dated: July 15, 2021
San Juan, Puerto Rico

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CERTIFICATE OF SERVICE

I hereby certify that on this same date a true and exact copy of this notice was filed with the Clerk of Court using the CM/ECF system, which will notify a copy to counsel of record.

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